

**The lead-in to 15 AAC 05.010(a) and (a)(3)(A) are amended to read:**

**15 AAC 05.010. Request for appeal.** (a) An appeal is initiated by filing a request for appeal. For the purpose of this section, “request for appeal” includes a request for a formal hearing under AS 25.25.101 – AS 25.25.903, AS 25.27.010 – AS 25.27.900, [AND] AS 43.55.013, **and AS 43.56.110** but does not include a request for an administrative review under 15 AAC 125.118, 15 AAC 125.216, 15 AAC 125.222, 15 AAC 125.226, 15 AAC 125.242, 15 AAC 125.246, 15 AAC 125.252, 15 AAC 125.321, 15 AAC 125.331, 15 AAC 125.335, 15 AAC 125.410, 15 AAC 125.418, 15 AAC 125.420, 15 AAC 125.425, 15 AAC 125.440, 15 AAC 125.505, 15 AAC 25.510, 15 AAC 125.550, 15 AAC 125.560, 15 AAC 125.610, 15 AAC 125.630, 15 AAC 125.710, or 15 AAC 125.715. A request for appeal filed under this section must

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(3) be signed

(A) by the taxpayer[,], or the taxpayer’s authorized representative **or, in**

**the case of an appeal under 15 AAC 56.015(c), by the municipality or the municipality’s authorized representative;**

(Eff. 1/12/64, Register 12; am 5/31/78, Register 66; am 12/26/80, Register 76; am 4/21/88, Register 106; am 1/1/93, Register 124; am 12/24/93, Register 128; em am 11/20/96 – 3/19/97, Register 140; am 4/18/97, Register 142; am 10/1/98, Register 147; am \_\_\_\_/\_\_\_\_/\_\_\_\_, Register \_\_\_\_)

Authority:	AS 25.27.020	AS 43.05.240	AS 43.55.110
	AS 43.05.010	AS 43.23.015	AS 43.56.200
	AS 43.05.080	AS 43.23.055	

**Chapter 56. Oil and Gas Exploration,  
Production, and Pipeline Transportation  
Property Tax.**

**Section**

05. Mandatory property statement

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**900. Definitions**

**15 AAC 56.005(a) and (c) are amended and new subsections are added to read:**

**15 AAC 56.005. Mandatory property statement.** (a) Unless the deadline is extended under (c) of this section, a [A] person owning property taxable under AS 43.56 shall file an accurate and complete property statement no later than January 15 of the tax year [, BY JANUARY 15 OF THE ASSESSMENT YEAR, A PROPERTY STATEMENT WITH THE DEPARTMENT WHICH LISTS ALL PROPERTY TAXABLE UNDER AS 43.56 AND WHICH IS SIGNED UNDER PENALTY OF PERJURY BY THE TAXPAYER OR HIS AUTHORIZED REPRESENTATIVE ON FORMS PRESCRIBED BY THE DEPARTMENT].

The property statement must be in a form prescribed by the department and must list all property that is taxable under AS 43.56. The statement must be signed by the property owner under penalty of perjury and must be filed with the director by personal delivery or mail service or, if authorized in advance by the director, by facsimile transmission or electronic mail [SENT TO THE DIRECTOR, AUDIT DIVISION, DEPARTMENT OF REVENUE].

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(c) The director may, on a case by case basis, extend the deadline for filing a property statement if the property owner shows reasonable cause for the extension as provided in 15 AAC 05.200. To request an extension of time to file a property statement, a property owner must file a request for an extension with the department in writing or by electronic mail no later than January 15 of the tax year for which the statement is due, setting out a full statement of the reasons why an extension is necessary. If an extension is granted, the property statement must be filed before the extended period expires. [THE DEPARTMENT WILL, IN ITS DISCRETION, GRANT AN EXTENSION OF TIME FOR FILING UNDER THIS SECTION UPON WRITTEN REQUEST FROM THE PROPERTY OWNER OR HIS AUTHORIZED REPRESENTATIVE, STATING GOOD CAUSE FOR THE EXTENSION.]

(d) A property statement under this section is subject to investigation and amendment for three years after the date it was filed. In the case of failure to file a property statement, the property is subject to investigation and assessment at any time.

(e) A property statement is inaccurate or incomplete if it

(1) fails to report all taxable property;

(2) reports property in such a way that the department is unable to determine if all taxable property has been accurately reported;

(3) fails to provide accurate information on the property's age, use, location, or value; or

(4) contains any other error or inaccuracy. (Eff. 7/30/82, Register 83; am  
\_\_\_\_/\_\_\_\_/\_\_\_\_, Register \_\_\_\_)

Authority: AS 43.05.080 AS 43.05.260 AS 43.56.200

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**AS 43.05.220**

AS 43.56.070

[EDITOR'S NOTE: UNDER AS 44.62.125(b)(6), THIS SECTION'S REFERENCE TO THE PETROLEUM REVENUE DIVISION HAS BEEN CHANGED TO REFER TO THE AUDIT DIVISION, AS OF REGISTER 98 (JULY 1986), TO REFLECT A REORGANIZATION OF THE DEPARTMENT OF REVENUE.]

**15 AAC 56.010, 15 AAC 56.015, 15 AAC 56.020, 15 AAC 56.030, and 15 AAC 56.040 are repealed and readopted to read:**

**15 AAC 56.010. Notice of assessment.** (a) The department will send a notice of assessment to the owner of taxable property no later than March 1 of the tax year. A notice of assessment will state

- (1) the name and address of the owner of the taxable property;
- (2) a brief description of the property; and
- (3) the assessed valuation.

(b) The department will send a copy of the notice of assessment to each municipality in which the taxable property is located at the same time that the department sends the notice to the owner of the property.

(c) The effective date of a notice of assessment is the mailing date certified by the department in the notice. (Eff. 8/8/74, Register 51; am \_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

Authority: AS 43.05.080

AS 43.56.100

**AS 43.56.200**

**15 AAC 56.015. Appeal procedures.** (a) An owner of taxable property, or a municipality where the property is located, may object to the assessed value of the property set out in a notice of assessment issued under 15 AAC 56.010 or in a notice of supplementary or amended assessment issued under 15 AAC 56.045 by filing an appeal with the department as provided in 15 AAC 56.020 or 15 AAC 56.047, as applicable.

(b) An owner of taxable property may object to the department's determination that property is taxable or is not taxable under AS 43.56 by filing an appeal under 15 AAC 05.001 – 15 AAC 05.050 within the period provided under 15 AAC 05.010(b)(3).

(c) A municipality that believes certain property that should be taxed under AS 43.56 was not included in a notice of assessment may notify the department by filing an appeal under 15 AAC 05.001 – 15 AAC 05.050 within the period provided under 15 AAC 05.010(b)(3).

(d) An owner of taxable property may object to a statement of the amount of tax or penalty due by filing an appeal with the department under 15 AAC 05.001 – 15 AAC 05.050 within the period provided under 15 AAC 05.010(b)(4). For purposes of this subsection, a “statement of the amount of tax or penalty due” is the statement issued by the department under AS 43.56.135 after the department certifies the final assessment.

(e) An owner of taxable property or a municipality where the property is located may appeal a notice of supplementary or amended assessment as provided in 15 AAC 56.047.

(f) The department will not accept an appeal that is not timely filed. (Eff. 5/10/86, Register 98; am \_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

Authority:	<u><b>AS 43.05.010</b></u>	<u><b>AS 43.05.260</b></u>	AS 43.56.130
	AS 43.05.080	AS 43.56.110	<u><b>AS 43.56.140</b></u>

**15 AAC 56.020. Appeal to the department.** (a) An owner of taxable property or a municipality receiving a notice of assessment may object to the assessed value of the property by filing a written appeal with the department no later than 20 days after the effective date of the notice of assessment. The appeal must be signed by the appealing party or the party's authorized representative and must state

- (1) the identity of the appealing party;
- (2) the name and address of each owner of the assessed property;
- (3) a brief description of the property and its physical location as of January 1 of the tax year;
- (4) all objections to the assessment, the grounds for each objection, a brief summary of the facts relating to each objection, and the generally accepted appraisal principles that support each objection; and
- (5) the appealing party's opinion as to the full and true value of the property and the basis for that opinion.

(b) Upon receipt of an appeal under (a) of this section filed by an owner of taxable property, the department will send notice of the appeal to each municipality in which the taxable property is located and to each other owner of the property identified in the appeal. Upon receipt of an appeal under (a) of this section filed by a municipality, the department will send written notice of the appeal to each property owner identified in the appeal and any other municipality in which the property is located by United States mail. In addition to sending written notice by

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United States mail, the department may also notify a property owner or municipality by telephone, facsimile transmission, or electronic mail at the owner's or municipality's address of record. Only a property owner or municipality that receives written notice of an appeal from the department under this subsection will be considered a party to the appeal for purposes of appealing to the State Assessment Review Board.

(c) On appeal the department may consider all issues related to the full and true value of the property and is not limited by the issues raised in the appeal. The department will issue an informal conference decision setting out

- (1) the identity of the appealing party;
- (2) the name and address of each owner of the taxable property;
- (3) the name of each municipality in which the property was located as of January 1 of the tax year;
- (4) a brief description of the taxable property;
- (5) any adjustments to the assessment and the assessment roll; and
- (6) the reasons for upholding or adjusting the assessment.

(d) The department will mail a copy of the informal conference decision to the appellant no later than 30 days after the effective date of the notice of assessment. The department will mail a notice of the decision to each other party to the appeal stating whether there has been a change in the assessment. (Eff. 8/8/74, Register 51; am 7/30/82, Register 83; am 4/2/88, Register 106; am \_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

Authority: AS 43.05.080 AS 43.56.110 **AS 43.56.200**

*[Publisher: delete the existing editor's note following 15 AAC 56.020.]*



**15 AAC 56.030. Appeal to the state assessment review board.** (a) An owner of the taxable property or a municipality that was a party in an appeal under 15 AAC 56.020 and was adversely affected by the informal conference decision issued under 15 AAC 56.020(c) may appeal that decision to the board by filing an appeal with the board in writing no later than 50 days after the effective date of the notice of assessment. The appeal must be signed by the appealing party or the party's authorized representative and must state

- (1) the identity of the appealing party;
- (2) the date and number of the informal conference decision being appealed;
- (3) the name and address of each owner of the taxable property;
- (4) a brief description of the property and its physical location as of January 1 of the tax year;
- (5) all objections to the assessment, the grounds for each objection, a brief summary of the facts relating to each objection, and the generally accepted appraisal principles that support each objection; and
- (6) the appealing party's opinion as to the full and true value of the property and the basis for that opinion.

(b) Upon receipt of an appeal under (a) of this section filed by an owner of taxable property, the board will send notice and a copy of the appeal to each municipality in which the taxable property is located and to each other owner of the property. Upon receipt of an appeal under (a) of this section filed by a municipality, the board will send notice and a copy of the appeal to each owner of the taxable property and to each other municipality in which the

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property is located. The notice will be sent by United States mail.

(c) A property owner or municipality that was a party to an appeal under 15 AAC 56.020 and has not appealed the informal conference decision to the board may file a cross-appeal or notice of intervention in the appeal with the board no later than 60 days after the effective date of the notice of assessment. A cross-appeal must state the identity of the cross-appellant, the grounds for the cross-appeal, a brief description of the property, the cross-appellant's opinion as to the full and true value of the property, and the basis for that opinion. A notice of intervention must state the identity of the intervenor, whether the intervention is in support of the state or the appellant, the grounds for the intervention, a brief description of the property, the intervenor's opinion as to the full and true value of the property, and the basis for that opinion.

(d) On motion by the department, other party to the appeal, or its own motion, the board may dismiss a timely filed appeal, cross-appeal, or intervention that fails to provide the information required under (a) or (c) of this section, as applicable. The board may decline to consider any issue that was not first raised, considered, or decided by the department in the informal conference decision that is the subject of the appeal.

(e) The board will set a date for a hearing on the appeal to convene approximately 80 days after the effective date of the notice of assessment. No later than 20 days before the scheduled hearing date, the board will send written notice of the time and place of the hearing to the department and to each property owner and municipality that received notice under 15 AAC 56.020(b) of an appeal of the department's notice of assessment.

(f) On timely motion by the department, other party to the appeal, or on its own motion, the board may approve a prehearing schedule that requires the parties, including any cross-

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appellant or intervenor, to file statements, briefs, and documentary evidence before the hearing is convened. If a party, including a cross-appellant or intervenor, fails to submit documentary evidence as required in a prehearing schedule, the board may preclude the party, cross appellant, or intervenor from relying on the documentary evidence at the hearing. The board may issue other orders it determines necessary to expedite and conduct the prehearing or hearing processes. (Eff. 11/4/74, Register 52; am 5/10/86, Register 98; am \_\_\_/\_\_\_/\_\_\_\_, Register \_\_\_\_)

Authority: AS 43.56.120 AS 43.56.130 AS 43.56.200

**15 AAC 56.040. Hearings of the state assessment review board.** (a) Any three members of the board constitute a quorum for the transaction of all business and duties of the board. A quorum of the board members must be present in order to hear an appeal. The board may grant or deny an appeal, in whole or in part, by the majority vote of the members present at the appeal hearing.

(b) A board-elected chairperson, or the chairperson's designee, shall preside at the hearing. The chairperson may administer oaths, subpoena witnesses, and rule on the admissibility of evidence. The chairperson may exercise control over the proceedings as necessary to establish the order, time, and presentation of arguments and evidence by each party.

(c) A member of the board must inform the board at the commencement of the hearing of any possible conflict of interest the member may have. A board member must voluntarily withdraw from hearing an appeal when the member believes a conflict of interest prevents the member from participating in a fair and impartial manner. A party may request that a board member be disqualified from hearing an appeal on grounds that, due to a conflict of interest the

member may have, a fair and impartial hearing cannot be accorded if the member is allowed to participate. Upon a request for disqualification, the other board members shall vote upon whether the member should be disqualified from participating in an appeal due to a conflict of interest.

(d) At any time after commencement of a hearing, the board may, on motion by the department, other party to the appeal, or on its own motion, grant a stay or continuance of the hearing to provide additional time to obtain information necessary to resolve the issues on appeal or for other good reason.

(e) In a hearing under this section

(1) relaxed rules of evidence apply;

(2) each party may present oral and written statements, call witnesses, and, subject to (4) and (5) of this subsection, introduce relevant documents and material into the record;

(3) witnesses will be required to testify under oath;

(4) documents and other evidence that were submitted to the board and other parties before the hearing under a prehearing order are admissible if they are relevant to the issues on appeal;

(5) documentary evidence that was not submitted to the board and the other parties before the hearing as required by a prehearing order may not be presented for the first time at the hearing unless

(A) the board grants permission after the party offering the evidence has shown reasonable cause for not complying with the prehearing order as provided in

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15 AAC 05.200; and

(B) the party offering the evidence has provided the board and all parties with adequate opportunity to examine the documents.

(f) The proceedings at the hearing will be recorded electronically or by other means that assure an accurate record and may be transcribed at the request and expense of the party requesting the transcript.

(g) The appellant bears the burden of proof at the hearing. The assessed value of the property in the notice of assessment, including any adjustments determined in the informal conference, is presumed to be correct. The board will not adjust that assessed value unless the appellant has shown that the assessed value is the result of unequal, excessive, or improper valuation or that the valuation was not determined in accordance with the standards or provisions set out in AS 43.56.

(h) The decision of the board will include

(1) the identity of the appealing party;

(2) the name and address of each owner of the taxable property;

(3) the name of each municipality in which the property was located as of January 1 of the tax year;

(4) a brief description of the taxable property;

(5) any adjustments made by the board to the assessed value of the property; and

(6) the reasons for upholding or adjusting the assessment.

(i) The board will certify its decision in writing to the department no later than seven days after the hearing is concluded. A copy of the decision will be mailed to each party to the

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appeal. (Eff. 11/4/74, Register 52; am \_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

Authority: AS 43.05.220 AS 43.56.130 AS 43.56.200

AS 43.56.040

**15 AAC 56 is amended by adding new sections to read:**

**15 AAC 56.042. Effect of certification.** No later than June 1 of each year the department will certify the assessment roll for the tax year. By certifying the assessment roll, the department verifies that it has prepared the assessment roll in the manner required by law and, based on the best information available to the department, the assessed values represent the department's determination of the full and true value of the listed property as of January 1 of the tax year. A certified assessment roll is subject to supplementation, correction, and amendment within the period provided in AS 43.05.260. (Eff. \_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

Authority: AS 43.05.010 AS 43.56.060 AS 43.56.140

AS 43.05.080 AS 43.56.080 AS 43.56.200

AS 43.05.260 AS 43.56.135

**15 AAC 56.043. Investigations.** (a) Subject to the limitations period provided in AS 43.05.260 and regardless of whether the property was previously assessed, a previous assessment of the property was certified under AS 43.56.135, or an investigation was previously conducted, the department may at any time

- (1) investigate AS 43.56 property and property statements;
- (2) correct, supplement, and amend an assessment under this chapter; and

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(3) issue a supplementary or amended assessment to assess the property for the tax imposed under AS 43.56.010.

(b) The department will determine the property to be investigated and when the investigation will be conducted. When the department schedules an investigation, the department will notify each property owner and each municipality in which the property is located of the general schedule and scope of the investigation. (Eff. \_\_\_\_/\_\_\_\_/\_\_\_\_, Register \_\_\_\_)

Authority:	AS 43.05.010	AS 43.56.060	AS 43.56.140
	AS 43.05.080	AS 43.56.080	AS 43.56.200
	AS 43.05.260		

**15 AAC 56.045 is repealed and readopted to read:**

**15 AAC 56.045. Supplementary and amended assessments.** (a) Subject to the limitations period provided in AS 43.05.260, the department may issue a supplementary or amended assessment roll to assess the amount of tax imposed under AS 43.56.010 at any time.

(b) A supplementary or amended assessment may result in increases or decreases in the assessed values reported on an original assessment roll due to

(1) assessment of property or property value that was omitted from a previous assessment roll; or

(2) correction of an error, whether the error was made by the property owner, the department, or otherwise.

(c) The municipal mill rate applicable to a supplementary or amended assessment roll is

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the mill rate that applied to the property in the year the property originally was or should have been assessed.

(d) The department will send notice of a supplementary or amended assessment to each property owner and each municipality as provided in 15 AAC 56.010, except that the March 1 deadline for the current tax year does not apply to a notice of a supplementary or amended assessment. A notice of supplementary or amended assessment will be sent within a reasonable time after the department makes the supplementation or amendment, but no later than March 1 of the tax year immediately following completion of the supplementary or amended assessment. The department may issue supplementary and amended assessments in separate documents or together in one document.

(e) The effective date of a notice of a supplementary or amended assessment is the mailing date certified by the department in the notice. (Eff. 7/30/82, Register 83; am \_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

Authority:	<u>AS 43.05.010</u>	AS 43.05.260	AS 43.56.140
	AS 43.05.080	<u>AS 43.56.060</u>	<u>AS 43.56.200</u>

**15 AAC 56 is amended by adding a new section to read:**

**15 AAC 56.047. Appeal of supplementary and amended assessments.** (a) A property owner or municipality that receives a notice of supplementary or amended assessment may object to the assessed value of the property by filing a written appeal with the department no later than 20 days after the effective date of the notice of supplementary or amended assessment in the same manner as provided for an appeal from a notice of assessment under



15 AAC 56.020(a).

(b) Upon receipt of a timely filed appeal under (a) of this section, the department will send notice as provided in 15 AAC 56.020(b) for appeal from a notice of assessment. A property owner or municipality that receives written notice under this subsection will be considered a party to the appeal for purposes of appealing to the board.

(c) On appeal the department may consider all issues related to the full and true value of the property and is not limited by the issues raised in the appeal. The department will issue an informal conference decision as provided under 15 AAC 56.020(c). The department will mail a copy of the informal conference decision to the appellant no later than 30 days after the effective date of the supplementary or amended notice of assessment. The department will mail a notice of the decision to each other party to the appeal stating whether there has been a change in the assessment.

(d) An owner of taxable property or a municipality that was a party in an appeal under (a) – (c) of this section and was adversely affected by the informal conference decision may appeal from that decision to the board by filing an appeal with the board in writing no later than 50 days after the effective date of the notice of supplementary or amended assessment and providing the information required in 15 AAC 56.030(a).

(e) Upon receipt of a timely filed appeal from an owner of taxable property, the board will send notice and a copy of the appeal to each municipality in which the taxable property is located. Upon receipt of a timely filed appeal from a municipality, the board will send notice and a copy of the appeal to each owner of the taxable property.

(f) A party may cross-appeal or intervene as provided in 15 AAC 56.030(c).

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(g) The board will schedule a hearing on the appeal at its next regularly scheduled meeting, but no later than May 30 of the tax year in which the notice of supplementary or amended assessment is issued, or May 30 of the following year if the notice is issued after March 1.

(h) Except as otherwise provided in this section, the notice and appeal procedures applicable to a notice of assessment under 15 AAC 56.030 and 15 AAC 56.040 apply to a notice of supplementary or amended assessment. (Eff. \_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

Authority:	AS 43.05.010	AS 43.56.110	AS 43.56.140
	AS 43.05.080	AS 43.56.120	AS 43.56.200
	AS 43.05.260	AS 43.56.130	

**15 AAC 56.065 (a) and (b) are amended and a new subsection is added to read:**

**15 AAC 56.065. Payment** [TIME FOR PAYMENT] **of tax.** (a) The tax levied under AS 43.56.010(a) is payable to the department **no later than June 30 of the tax year** [BEFORE JULY 1 OF THE TAX YEAR] regardless of whether the taxable property is included on the [FINAL] assessment roll **for the current tax year** or on a supplementary **or amended assessment** roll. No extension of time will be granted for payment of the tax.

(b) **If the tax is not paid as required in (a) of this section for property included on the assessment roll for the current tax year, or if the tax is not paid by the 30th day after a demand for payment of a supplementary or amended assessment, the** [THE] 10 percent penalty **provided** in AS 43.56.160 will be applied to the net [TAX] amount **of the tax remaining unpaid after deduction** [DUE THE STATE AFTER THE APPLICATION] of the

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credit for municipal **tax payments** [TAXES PAID] under AS 43.56.010(d).

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(d) Payment under this section must be made as required in 15 AAC 05.310. (Eff.

5/10/86, Register 98; am \_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

Authority: AS 43.05.080 **AS 43.05.250** AS 43.56.200

AS 43.05.150 AS 43.56.160

**15 AAC 56 is amended by adding new sections to read:**

**15 AAC 56.066. Refund claims for overpayment of taxes.** (a) If a property owner believes that the owner has paid more taxes than the amount due under AS 43.56.010(a), the property owner may file a claim for refund with the department. In order to be considered, a claim for refund must be filed within the period provided in AS 43.05.275. The claim for refund must be signed by the owner and must state

(1) a brief description of the affected property and its physical location as of January 1 of the tax year or years affected;

(2) the name and address of each owner of the property;

(3) the name of each municipality in which the property was located as of January 1 of the tax year or years affected; and

(4) a brief description of the information that supports the claim.

(b) Upon filing a claim for refund, the property owner must provide a copy of the claim for refund to each municipality that taxes the property for which the refund is claimed.

(c) If the department determines on investigation or audit of the account in question that

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the property owner paid more taxes than the amount due under AS 43.56.010(a), the department will notify the property owner and the municipality where the property is located that the property owner has remitted more taxes than the amount due and is entitled to a refund.

(d) Subject to the limitations periods provided in AS 43.05.275, the department will issue a refund to the property owner in the amount of the overpayment that the state received. However, the department will not refund any portion of an overpayment for which the property owner received a credit or refund under AS 43.56.010(d) in the same tax year for which the refund is claimed, or any amount greater than the difference between 20 mills and the municipal mill rate in the same tax year for which the refund is claimed times the change in the assessed full and true value of the property.

(e) The department will notify the property owner in writing if a claim for refund is denied. A claim for refund will be denied if it is untimely, unsupported by the information required in the claim for refund, or involves disputed facts or valuation methodology or for other reasons determined by the department.

(f) The department's grant or denial of a claim for refund may be appealed as provided in 15 AAC 05.001 – 15 AAC 05.050. (Eff. \_\_\_\_/\_\_\_\_/\_\_\_\_, Register \_\_\_\_)

Authority:	AS 43.05.080	AS 43.05.275	AS 43.56.080
	AS 43.05.260	AS 43.10.210	AS 43.56.200

**15 AAC 56.068. Limitations periods.** (a) Subject to the limitations period provided in AS 43.05.260, the department may assess the amount of tax imposed under this chapter, and may

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investigate an account and supplement or amend an assessment under this chapter, at any time.

(b) The department may collect taxes, penalties, and interest under this chapter within the limitations periods provided in AS 43.05.270.

(c) The department may refund the amount of an overpayment under this chapter as provided in AS 43.05.275 and AS 43.10.210. (Eff. \_\_\_\_/\_\_\_\_/\_\_\_\_, Register \_\_\_\_)

Authority:	AS 43.05.080	AS 43.05.275	AS 43.56.080
	AS 43.05.260	AS 43.10.210	AS 43.56.140
	AS 43.05.270	AS 43.56.060	AS 43.56.200

**15 AAC 56.069. Filing.** (a) A property statement, appeal, notice, or other document that is required or permitted to be filed with the department or the board under this chapter is considered to be filed as follows:

(1) if it is delivered in person, by United States mail, or by facsimile transmission, it is filed at the time and date it is received and date-stamped by the department or board, as applicable; and

(2) if it is delivered by electronic mail, it is filed at the time and date the department or board, as applicable, confirms to the sender by electronic mail that it has been received.

(b) A property statement, appeal, notice, or other document may be filed by facsimile transmission or electronic mail only with prior written or electronic mail approval by the director. If a document or filing requires a signature, the document or filing may not be filed by facsimile transmission or electronic mail unless the director has also authorized an electronic

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signature, follow-up written copy, or other means to verify the authorized signature.

(c) To be timely, a filing must be received and date-stamped or, if it is submitted by electronic mail, confirmed before 5 p.m. on the date it is due, unless a different time has been specified by the department or board, as applicable, in writing or by electronic mail in advance of the due date. In this chapter, all times and dates will be determined according to local time in Anchorage, Alaska. If the due date day falls on a day when the department is officially closed, the filing must be received before 5 p.m. on the department's next official working day.

(d) The failure-to-file penalties in 15 AAC 05.210 apply to property statements, returns, and reports required under this chapter. (Eff. \_\_\_\_/\_\_\_\_/\_\_\_\_, Register \_\_\_\_)

Authority: AS 43.05.080 AS 43.56.160 AS 43.56.200

**15 AAC 56.070 is repealed and readopted to read:**

**15 AAC 56.070. Average per capita assessed full and true value of property in the state.** (a) On or before January 15 of each year, the department will determine and report the average per capita assessed full and true value of property in the state to each municipality that imposes a tax under AS 29.45.080. The department will base its determination on the average per capita assessed full and true value of property in the state for the previous calendar year as determined by the Department of Community and Economic Development.

(b) When a municipality uses the method of taxation provided under AS 29.45.080(c) and the total assessed value of property within the municipality, per capita, exceeds 225 percent of the average per capita assessed full and true value of property in the state, the municipality shall reduce the value of all state assessed AS 43.56 oil and gas property and all locally assessed



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property's total operational time during the preceding tax year; and

(2) subject to (b) of this section, “committed by contract or other agreement for use primarily” for a purpose described in AS 43.56.210(7)(A) if that property is committed by contract, specification, or other expressed intention of the property owner to one or more of those purposes, regardless of whether the property was actually used in the preceding tax year.

(b) Property that is used for or committed by contract or other agreement to a state approved oil spill response, prevention, or recovery plan is only taxable under AS 43.56 if the department determines that

(1) the property is used or committed for use for an oil spill response, prevention, or recovery plan necessary to the pipeline transportation of gas or unrefined oil or to the operation or maintenance of a marine terminal or other facility used in the pipeline transportation of gas or unrefined oil; and

(2) the property is not used or committed for use primarily for a purpose other than a plan described in (1) of this subsection.

(c) A motor-propelled vehicle designed primarily for normal public highway use or an aircraft licensed and regulated as an aircraft owned by a person whose principal business in the state is exploration for, production of, or pipeline transportation of gas or unrefined oil, may be excluded from taxation under AS 43.56 if the primary use of the vehicle or aircraft does not directly relate to the conduct of that business. (Eff. 7/30/82, Register 83; am \_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

Authority: AS 43.05.080      AS 43.56.200      AS 43.56.210(7)  
AS 43.56.060      [AS43.56.210(6)]



**15 AAC 56.120 is repealed and readopted to read:**

**15 AAC 56.120. Intangible drilling expenses.** (a) In valuing property upon the basis of actual cost or replacement cost, the department will exclude the value of intangible drilling expenses.

(b) For purposes of AS 43.56 and this chapter, “intangible drilling expenses” means the intangible drilling expenses defined under 26 U.S.C. 263(c) (Internal Revenue Code) in effect on January 1, 1974, and includes only expenditures for items that do not have a salvage value even if those items are used in connection with the construction or installation of physical property that has a salvage value. “Intangible drilling expenses” includes expenditures made by an operator, or under contract to an operator, for labor, fuel, repairs, hauling, and supplies incident and necessary to

(1) drilling wells;

(2) clearing ground, draining, road making, surveying, and geological works necessary to drilling wells; and

(3) construction of derricks, tanks, pipelines, and other physical structures necessary to drilling wells.

(c) “Intangible drilling expenses” does not include

(1) intangible development expenses;

(2) expenditures for tangible property ordinarily considered to have a salvage value, such as drilling tools, pipe, casing, tubing, tanks, engines, boilers, machines, and the actual materials used in the construction or installation of physical structures in the wells or on

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the property;

(3) expenditures made by an operator, or under contract to an operator,

(A) for wages, fuel, repairs, hauling, and supplies that are not incident and necessary to drilling wells; or

(B) that are properly allocable to the cost of depreciable property ordinarily considered to have a salvage value.

(d) In addition to the expenditure items described in (b) of this section, intangible drilling expenses for offshore oil platforms include expenditures incident and necessary to transport the platform to the well site and to position, erect, and permanently anchor the platform to the ocean floor. (Eff. 3/1/75, Register 53; am \_\_\_/\_\_\_/\_\_\_, Register \_\_\_)

Authority: AS 43.05.080 AS 43.56.060 AS 43.56.210  
AS 43.56.020 AS 43.56.200

**15 AAC 56 is amended by adding a new section to read:**

**15 AAC 56.900. Definitions.** In this chapter,

(1) “board” means the State Assessment Review Board established by AS 43.56.040;

(2) “department” means the Department of Revenue;

(3) “director” means the director of the tax division of the department and an authorized representative or agent of the director;

(4) “error” means a mistake, due to any reason, that may affect the amount of tax levied or collected under AS 43.56,

(A) including a mistake by the department in assessing or collecting property tax resulting from

(i) a mistake in reporting or entering information, whether caused by the property owner or the department;

(ii) an incorrect description or designation of the property, its use, or its location, whether caused by the property owner or the department;

(iii) the department applying a classification or valuation schedule to the property that was incorrect under, or inconsistent with, the department's usual practice and policy at the time of the original assessment;

(B) including any other objectively verifiable mistake, whether caused by the property owner or the department, that does not, in the department's judgment, require the department to exercise discretion, judgment, or opinion as to the classification, valuation schedule, use, or value of the property;

(C) but not including

(i) a change to the value of a previously assessed asset based on the department's subjective reclassification of the property, retrospective application of a policy change or practice, or use of a classification or valuation schedule that did not exist at the time of the original assessment; or

(ii) a property owner's or municipality's disagreement or dissatisfaction with the department's discretionary judgment concerning application of a classification or factor schedule;

(5) "investigation" means a systematic examination of books, records, property,

and accounts to verify that all property taxable under AS 43.56 has been identified and reported as required by 15 AAC 56.005, that the information reported is correct, and that the property has been valued in conformity with applicable statutes, regulations, and departmental procedures; “investigation” may include observation, inquiry, audit, and confirmation, as necessary, to obtain information to establish the full and true value of all taxable property;

(6) “omitted property” means property or property value that is omitted from an assessment roll because the property owner files an inaccurate or incomplete property statement or fails to file a property statement;

(7) “property owner” means the owner of property taxable under AS 43.56 and the authorized representative or agent of the owner;

(8) “supplementary or amended assessment roll” means an assessment roll issued after the original assessment roll is certified for a tax year;

(9) “tax year” means a period beginning on January 1 and ending on the following December 31. (Eff. \_\_/\_\_/\_\_\_\_, Register \_\_\_\_)

Authority: AS 43.05.080 AS 43.56.080 AS 43.56.140  
AS 43.05.260 AS 43.56.100 AS 43.56.200  
AS 43.56.010